## Senate Bill No. 1319

## **CHAPTER 348**

An act to amend Sections 10735.2 and 10735.8 of the Water Code relating to groundwater.

[Approved by Governor September 16, 2014. Filed with Secretary of State September 16, 2014.]

## LEGISLATIVE COUNSEL'S DIGEST

SB 1319, Pavley. Groundwater.

Existing law authorizes local agencies to adopt and implement a groundwater management plan. Existing law requires a groundwater management plan to contain specified components and requires a local agency seeking state funds administered by the Department of Water Resources for groundwater projects or groundwater quality projects to do certain things, including, but not limited to, preparing and implementing a groundwater management plan that includes basin management objectives for the groundwater basin.

AB 1739 of the 2013–14 Regular Session, if enacted, would authorize the state board to designate a basin as a probationary basin, if the state board makes a certain determination. If the state board finds that litigation challenging the formation of a groundwater sustainability agency prevented a groundwater sustainability program from being implemented pursuant to one of the determinations, AB 1739 would prohibit the state board from designating a basin as a probationary basin for a specified time period.

SB 1168 of the 2013–14 Regular Session, if enacted, would require the department to categorize each basin as high-, medium-, low- or very low priority.

This bill would additionally authorize the state board to designate certain high- and medium-priority basins as a probationary basin if, after January 31, 2025, prescribed criteria are met, including that the state board determines that the basin is in a condition where groundwater extractions result in significant depletions of interconnected surface waters. This bill would add to the prescribed determinations that would prevent the state board from designating the basin as a probationary basin for a specified time period. This bill would require the state board to exclude from probationary status any portion of a basin for which a groundwater sustainability agency demonstrates compliance with the sustainability goal.

AB 1739 would authorize the state board to develop an interim plan for a probationary basin if the state board, in consultation with the Department of Water Resources, determines that a local agency has not remedied a deficiency that resulted in designating the basin as a probationary basin within a certain timeframe. AB 1739 would authorize the board to adopt an

Ch. 348 — 2 —

interim plan for a probationary basin after notice and a public hearing and would require state entities to comply with an interim plan. AB 1739 would authorize the board to rely on, or incorporate elements of, a groundwater sustainability plan, groundwater sustainability program, or adjudication into the interim plan adopted by the board or allow local agencies to continue implementing those parts of a plan or program that the board determines are adequate.

This bill would remove the authority of the local agencies to continue to implement parts of the plan or program that the board determines to be adequate and instead require the state board to include in its interim plan a groundwater sustainability plan, or any element of a plan, that the board finds either complies with the sustainability goal for that portion of the basin or would help meet the sustainability goal for the basin. The bill would prohibit the state board, before January 1, 2025, from establishing an interim plan under the bill to remedy a condition where groundwater extractions result in significant depletions of interconnected surface waters.

This bill would make its operation contingent on the enactment of AB 1739 and SB 1168 of the 2013–14 Regular Session.

The people of the State of California do enact as follows:

SECTION 1. Section 10735.2 of the Water Code, as added by Assembly Bill 1739 of the 2013–14 Regular Session, is amended to read:

- 10735.2. (a) The board, after notice and a public hearing, may designate a basin as a probationary basin, if the board finds one or more of the following applies to the basin:
  - (1) After June 30, 2017, none of the following have occurred:
- (A) A local agency has elected to be a groundwater sustainability agency that intends to develop a groundwater sustainability plan for the entire basin.
- (B) A collection of local agencies has formed a groundwater sustainability agency or prepared agreements to develop one or more groundwater sustainability plans that will collectively serve as a groundwater sustainability plan for the entire basin.
- (C) A local agency has submitted an alternative that has been approved or is pending approval pursuant to Section 10733.6. If the department disapproves an alternative pursuant to Section 10733.6, the board shall not act under this paragraph until at least 180 days after the department disapproved the alternative.
- (2) The basin is subject to paragraph (1) of subdivision (a) of Section 10720.7, and after January 31, 2020, none of the following have occurred:
- (A) A groundwater sustainability agency has adopted a groundwater sustainability plan for the entire basin.
- (B) A collection of local agencies has adopted groundwater sustainability plans that collectively serve as a groundwater sustainability plan for the entire basin.

\_3 \_ Ch. 348

- (C) The department has approved an alternative pursuant to Section 10733.6.
- (3) The basin is subject to paragraph (1) of subdivision (a) of Section 10720.7 and after January 31, 2020, the department, in consultation with the board, determines that a groundwater sustainability plan is inadequate or that the groundwater sustainability program is not being implemented in a manner that will likely achieve the sustainability goal.
- (4) The basin is subject to paragraph (2) of subdivision (a) of Section 10720.7, and after January 31, 2022, none of the following have occurred:
- (A) A groundwater sustainability agency has adopted a groundwater sustainability plan for the entire basin.
- (B) A collection of local agencies has adopted groundwater sustainability plans that collectively serve as a groundwater sustainability plan for the entire basin.
- (C) The department has approved an alternative pursuant to Section 10733.6.
- (5) The basin is subject to paragraph (2) of subdivision (a) of Section 10720.7, and either of the following have occurred:
  - (A) After January 31, 2022, both of the following have occurred:
- (i) The department, in consultation with the board, determines that a groundwater sustainability plan is inadequate or that the groundwater sustainability plan is not being implemented in a manner that will likely achieve the sustainability goal.
- (ii) The board determines that the basin is in a condition of long-term overdraft.
  - (B) After January 31, 2025, both of the following have occurred:
- (i) The department, in consultation with the board, determines that a groundwater sustainability plan is inadequate or that the groundwater sustainability plan is not being implemented in a manner that will likely achieve the sustainability goal.
- (ii) The board determines that the basin is in a condition where groundwater extractions result in significant depletions of interconnected surface waters.
- (b) In making the findings associated with paragraph (3) or (5) of subdivision (a), the department and board may rely on periodic assessments the department has prepared pursuant to Chapter 10 (commencing with Section 10733). The board may request that the department conduct additional assessments utilizing the regulations developed pursuant to Chapter 10 (commencing with Section 10733) and make determinations pursuant to this section. The board shall post on its Internet Web site and provide at least 30 days for the public to comment on any determinations provided by the department pursuant to this subdivision.
- (c) (1) The determination may exclude a class or category of extractions from the requirement for reporting pursuant to Part 5.2 (commencing with Section 5200) of Division 2 if those extractions are subject to a local plan or program that adequately manages groundwater within the portion of the

Ch. 348 — 4 —

basin to which that plan or program applies, or if those extractions are likely to have a minimal impact on basin withdrawals.

- (2) The determination may require reporting of a class or category of extractions that would otherwise be exempt from reporting pursuant to paragraph (1) of subdivision (c) of Section 5202 if those extractions are likely to have a substantial impact on basin withdrawals or requiring reporting of those extractions is reasonably necessary to obtain information for purposes of this chapter.
- (3) The determination may establish requirements for information required to be included in reports of groundwater extraction, for installation of measuring devices, or for use of a methodology, measuring device, or both, pursuant to Part 5.2 (commencing with Section 5200) of Division 2.
- (4) The determination may modify the water year or reporting date for a report of groundwater extraction pursuant to Section 5202.
- (d) If the board finds that litigation challenging the formation of a groundwater sustainability agency prevented its formation before July 1, 2017, pursuant to paragraph (1) of subdivision (a) or prevented a groundwater sustainability program from being implemented in a manner likely to achieve the sustainability goal pursuant to paragraph (3), (4), or (5) of subdivision (a), the board shall not designate a basin as a probationary basin for a period of time equal to the delay caused by the litigation.
- (e) The board shall exclude from probationary status any portion of a basin for which a groundwater sustainability agency demonstrates compliance with the sustainability goal.
- SEC. 2. Section 10735.8 of the Water Code, as added by Assembly Bill 1739 of the 2013–14 Regular Session, is amended to read:
- 10735.8. (a) The board, after notice and a public hearing, may adopt an interim plan for a probationary basin.
  - (b) The interim plan shall include all of the following:
- (1) Identification of the actions that are necessary to correct a condition of long-term overdraft or a condition where groundwater extractions result in significant depletions of interconnected surface waters, including recommendations for appropriate action by any person.
  - (2) A time schedule for the actions to be taken.
- (3) A description of the monitoring to be undertaken to determine effectiveness of the plan.
  - (c) The interim plan may include the following:
  - (1) Restrictions on groundwater extraction.
  - (2) A physical solution.
- (3) Principles and guidelines for the administration of rights to surface waters that are connected to the basin.
- (d) Except as provided in subdivision (e), the interim plan shall be consistent with water right priorities, subject to Section 2 of Article X of the California Constitution.
- (e) The board shall include in its interim plan a groundwater sustainability plan, or any element of a plan, that the board finds complies with the sustainability goal for that portion of the basin or would help meet the

\_5 \_ Ch. 348

sustainability goal for the basin. Where, in the judgment of the board, an adjudication action can be relied on as part of the interim plan, either throughout the basin or in an area within the basin, the board may rely on, or incorporate elements of, that adjudication into the interim plan adopted by the board.

- (f) In carrying out activities that may affect the probationary basin, state entities shall comply with an interim plan adopted by the board pursuant to this section unless otherwise directed or authorized by statute and the state entity shall indicate to the board in writing the authority for not complying with the interim plan.
- (g) (1) After the board adopts an interim plan under this section, the board shall determine if a groundwater sustainability plan or an adjudication action is adequate to eliminate the condition of long-term overdraft or condition where groundwater extractions result in significant depletions of interconnected surface waters, upon petition of either of the following:
- (A) A groundwater sustainability agency that has adopted a groundwater sustainability plan for the probationary basin or a portion thereof.
- (B) A person authorized to file the petition by a judicial order or decree entered in an adjudication action in the probationary basin.
- (2) The board shall act on a petition filed pursuant to paragraph (1) within 90 days after the petition is complete. If the board, in consultation with the department, determines that the groundwater sustainability plan or adjudication action is adequate, the board shall rescind the interim plan adopted by the board for the probationary basin, except as provided in paragraphs (3) and (4).
- (3) Upon request of the petitioner, the board may amend an interim plan adopted under this section to eliminate portions of the interim plan, while allowing other portions of the interim plan to continue in effect.
- (4) The board may decline to rescind an interim plan adopted pursuant to this section if the board determines that the petitioner has not provided adequate assurances that the groundwater sustainability plan or judicial order or decree will be implemented.
- (5) This subdivision is not a limitation on the authority of the board to stay its proceedings under this section or to rescind or amend an interim plan adopted pursuant to this section based on the progress made by a groundwater sustainability agency or in an adjudication action, even if the board cannot make a determination of adequacy in accordance with paragraph (1).
- (h) Before January 1, 2025, the state board shall not establish an interim plan under this section to remedy a condition where the groundwater extractions result in significant depletions of interconnected surface waters.
- (i) The board's authority to adopt an interim plan under this section does not alter the law establishing water rights priorities or any other authority of the board.

Ch. 348 — 6 —

SEC. 3. This act shall only become operative if both Assembly Bill 1739 and Senate Bill 1168 of the 2013–14 Regular Session are enacted and become effective.